

September 3, 2003

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Oral EX PARTE Communications on “Plug & Play” Digital Cable
Compatibility (CS Docket No. 97-80; PP Docket No. 00-67)**

Dear Secretary Dortch:

On September 3, 2003, Mr. Joel Wiginton, Vice President, Government Affairs and Senior Counsel, Sony Electronics Inc., and Mr. John Godfrey, Senior Manager, Government Affairs (the undersigned) met with Mr. Jordan Goldstein, adviser to Commissioner Michael Copps. This meeting followed upon previously disclosed meetings of Mr. Frank Leshner, Executive Vice President for Law, Intellectual Property, and External Affairs, Sony Electronics, Mr. Wiginton, and Mr. Godfrey on August 29 with Mr. Paul Gallant, adviser to Chairman Michael Powell and Mr. Anthony Dale, adviser to Commissioner Kevin Martin; and previously disclosed meetings of Mr. Wiginton and Mr. Godfrey on September 2 with Commissioners Jonathan Adelstein and Kathleen Abernathy and Mr. Matt Brill, adviser to Commissioner Abernathy. In each of these meetings, we discussed the cable-consumer electronics industry agreement and the draft regulations on “plug & play” digital cable compatibility which the industries have recommended for adoption into the Commission’s rules.

Cable Compatibility is Crucial to the Digital TV Transition.

As we discussed, Sony Electronics strongly supports the industry agreement and urges the Commission to adopt the proposed regulations as soon as possible. Enactment of the rules without delay is necessary to enable development of digital cable-ready products for the second half of 2004. This target is important because it coincides with the schedule on which the Commission’s digital over-air tuner requirements will begin to take effect. Because most U.S. households receive their primary television signal through cable, most consumers will want to use cable with any new digital television they purchase.

As the attached presentation slides illustrate, digital cable compatibility is highly complementary to over-air digital reception. We reiterated Sony Electronics’ intention, as expressed in our letter of June 20, 2003 to Media Bureau Chief W. Kenneth Ferree, to include over-air digital tuners in the digital television sets we make that are plug & play compatible with digital cable systems. We believe that cable compatibility in tandem with the required over-air digital tuners will greatly enhance consumer interest in digital televisions and will be a strong catalyst for the digital transition. Conversely, if new televisions with digital tuners require a separate set top box to receive digital cable, many consumers may delay their purchases until plug & play compatibility becomes available or may purchase monitors with neither an analog nor a digital tuner, in either case significantly slowing the digital transition. Because the fall 2004 buying season will be the first under the new over-air tuner requirement, it will strongly influence

consumers' responses to the new digital TV products and will go a long way to shape the growth and development of the competitive digital TV market.

The Proposed Plug & Play Regulations Will Foster Competition and Innovation.

We discussed Sony Electronics' strong belief and desire that the proposed regulations will foster a new wave of innovation and will enable consumers finally to enjoy the benefits of a competitive, diverse market for cable-ready electronic products. In particular, the streamlined technical requirements of the proposed regulations and the private DFAST License Agreement (which both the cable and consumer electronics industries agree is mutually beneficial but contingent upon the enactment of the regulations) will enable companies like Sony to develop new kinds of consumer electronic products with features that are not currently feasible to deploy under the *status quo* POD-Host Interface License Agreement ("PHILA") requirements for retail cable-ready products, such as extensive CableLabs technical specifications and certification requirements.

We also noted that the process described in the DFAST License Agreement for changing the content protection Compliance Rules includes new flexibility for innovators such as Sony to propose new content protection technologies, with a right of appeal to the Commission in the event that CableLabs disapproves the proposed changes. In addition, we noted that the proposed Encoding Rules strike an appropriate balance between consumer rights and expectations concerning their ability to record digital content and the rights of owners and distributors to protect that content.

Together, the new national plug & play standards, the Encoding Rules, and the streamlined technical and license requirements will enable companies such as Sony to devote their creativity and expertise to a wide range of innovative digital cable products that provide value and enjoyment to American consumers.

Respectfully submitted,

(signed)

John Godfrey
Senior Manager, Government Affairs
Sony Electronics Inc.

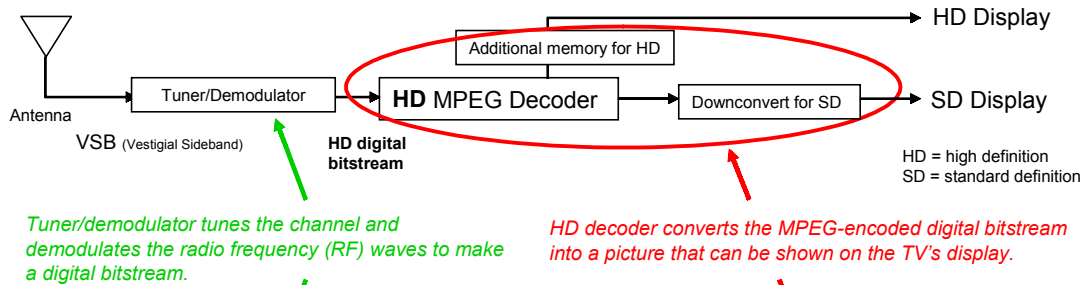
Attachment

cc: Chairman Michael Powell
Commissioner Kathleen Abernathy
Commissioner Michael Copps
Commissioner Kevin Martin
Commissioner Jonathan Adelstein
Mr. Paul Gallant
Ms. Stacy Robinson
Mr. Matt Brill
Mr. Jordan Goldstein

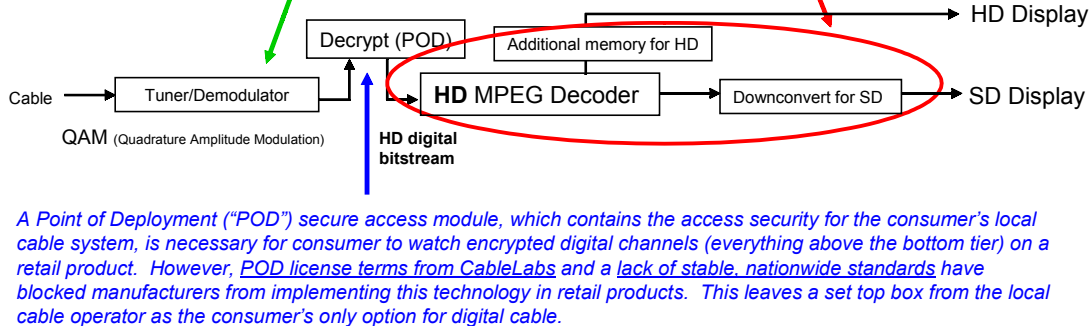
Ms. Catherine Bohigian
Mr. Anthony Dale
Ms. Johanna Mikes
Mr. Rick Chessen, Media Bureau
Mr. William Johnson, Media Bureau
Mr. Mike Lance, Media Bureau
Ms. Susan Mort, Media Bureau
Mr. Mike Perko, Media Bureau
Ms. Jane Mago, Office of Strategic Planning and Policy Analysis
Mr. Robert Pepper, Office of Strategic Planning and Policy Analysis
Ms. Amy Nathan, Office of Strategic Planning and Policy Analysis
Mr. Bruce França, Office of Engineering and Technology
Mr. Alan Stillwell, Office of Engineering and Technology

The Link Between Cable and Over-Air DTV Reception

Over-Air Terrestrial HDTV Receiver (mandated by FCC starting July 2004)



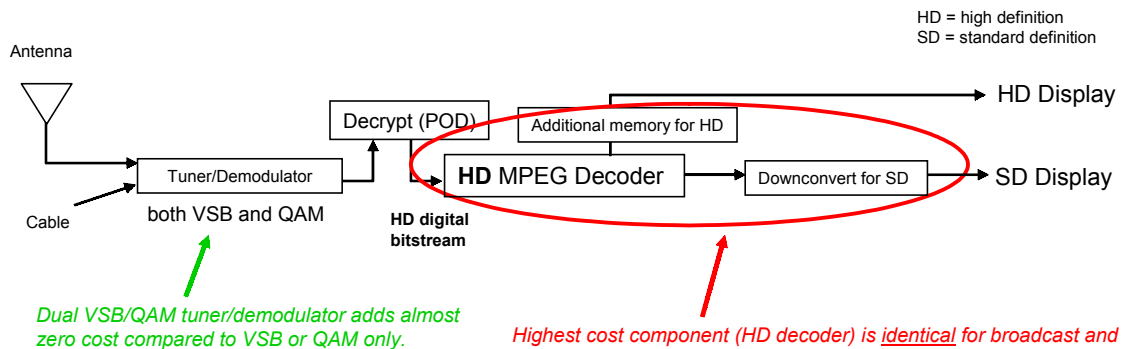
Cable HDTV Receiver (not feasible until plug & play rules go into force)



The Desired Outcome of Digital Cable Compatibility

Combined Cable and Over-Air Terrestrial HDTV Receiver

Meets the DTV over-air tuner mandate; also satisfies the 70% of households that rely on cable. Not feasible until plug & play rules go into force.



However, without plug & play compatibility, cable subscribers will continue to need a cable set top box that duplicates almost all of the circuitry contained inside the over-air HDTV; and unless they put up an antenna, they may never use the circuitry inside the TV set.